THE CO-OPERATIVE ACTIVITIES AND CREDIT UNION BRANCH

Department of Industry and Development

ANNUAL REPORT

1961

H. W. WEBBER - - - - - SUPERVISOR

S U M M A R Y

The Co-operative Activities and Credit Union Branch is budgeting for a very slight increase in expenditure in 1962 - 63.

An increase in rental allowance is asked for to bring the required expenditures into line with the estimates.

An increase in travel allowance is also asked for to allow for an expected increase in Credit Union examination travel due to new incorporations in outlying areas.

Provision is made in the estimates for the addition of a Credit Union Examiner in each of the Edmonton and Calgary offices, if and when required. This increase will be contingent on the growth of new Credit Unions. Approximately 40 new groups have been set up in 1961, but the impact of these incorporations will not be felt until 1962.

The Credit Union League of Alberta are planning another extensive incorporation drive in 1962, thus the necessity for looking ahead from the examination standpoint.

Supervision of co-operatives, other than Credit Unions, is of necessity, due to staff limitations, maintained on a minimal basis.

Credit Union examinations are continued on a detailed basis. Promotional work concerning Credit Unions is left up to the Credit Union League but any followup in connection with examinations is carried out by Branch personnel.

Credit Unions of up to $150,000.00 in assets continue to be examined in detail by staff Examiners. Credit Unions over this size are required to employ chartered accountants as independent auditors, subject always to supplemental examination from this Branch.

Credit Unions examined by staff examiners are also given constructive criticism and sound advice to ensure that Treasurers and officers are kept abreast of requirements under The Credit Union Act.

The Credit Union Stabilization Fund, now has over $101,000.00 invested in it as a guarantee to Credit Unions that their funds are safe when deposited in a Credit Union. The Stabilization Fund has been instrumental in allowing several Credit Unions to pay out in full without delay, whereas otherwise the liquidation would have been a long drawn out proceeding with a chance for financial loss.

REVOLVING FUND

The volume of repayments to the Rural Electrification Revolving Fund continues to grow. Loans from the Fund are decreasing in dollar volume due to the decreasing number of new farms being hooked up. However the number of loans granted is not materially decreasing, thus the volume of work of the Branch continues to increase.

The Revolving Fund is now revolving in the true sense of the word as payments into the Fund exceed withdrawals from it.

Refinancing of members' accounts continues to grow in volume. A systematic program of refinancing of delinquent accounts has been undertaken, and has met with success in all but one instance. In the one case where the Board of Directors has not co-operated, it was printed out to them that they have not honored the agreement which they executed, and the power company has been asked to disconnect those in arrears. A further period of grace has been given, and the members concerned have still got the opportunity to refinance.

The work level of the Branch continues on an upward trend. There appears to be more interest in co-operatives generally than has been the case in the past, and the variety of new incorporations gives an indication that co-operatives are being looked to as a solution for many problems.

F. U. & C. D. A.

The Farmers' Union and Co-operative Development Association is filling a need in providing an educational service for co-operatives, and also liaison between co-operatives and the F. U. A.

A Seminar held in Banff dealt with the question of co-operative financing, and it is hoped that the co-operative movement can come up with answers to the questions which were raised.

CUC AND INTERPROVINCIAL CONFERENCE

The 52nd Congress of the Co-operative Union of Canada was held in Ottawa in April, 1961. The theme was co-operative marketing. I was privileged to attend the Congress, and also represented Alberta at the Interprovincial Meeting of Co-operative and Credit Union Registrars and Supervisors, held prior to Congress.

Alberta differs from several other Provinces in that the Registrar here is not the Supervisor. The meetings of the various provincial representatives are valuable in that an opportunity to discuss common problems is made available. A long range result should be increased uniformity of legislation.

F. U. A.

For the first time, the Farmers' Union of Alberta asked that the Supervisor prepare a summary of co-operative operations in Alberta.

This was presented to the F. U. A. Convention, and apparently was well received.

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In all cases where the staff of the Branch comes in contact with the Public, good public relations are maintained.

The relationship between the Co-operative Activities and Credit Union Branch with co-operatives and Credit Unions continues to be most cordial.

The Co-operative Activities and Credit Union Branch

Department of Industry and Development

ANNUAL REPORT 1961

1961	Units Reporting	Business Done $	Assets $	Net Worth $	Members
97	Consumer	36,981,858	13,774,534	9,032,089	95,765
29	Live Stock	51,472,820	843,952	786,125	27,619
40	Feeders	8,800,059	1,480,458	285,352	2,019
14	Dairy and Poultry	38,471,516	10,028,946	6,531,596	46,686
39	Grain and Seed	110,201,968	68,898,620	24,951,019	90,058
44	Sundry	11,472,347	6,118,655	1,155,728	7,136
371	Electrical	*3,027,637	**53,500,000	**33,486,163	54,437
282	Credit Unions	***149,513,750	34,722,210	2,717,954	85,521
916		409,941,955	141,217,375	78,946,026	409,241

* This figure represents the estimated cost of rural electrification construction in Alberta in 1961. Next year this figure will also be available, but we propose showing the cost of the power consumed by all farmers in the Province.

** These figures are based on actual cost where in previous years the estimated cost figures were used.

*** This figure includes Alberta Central Credit Union for the first time.

The Co-operative Activities and Credit Union Branch

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ANNUAL REPORT 1961

1961	Units Reporting	Business Done $	Assets $	Net Worth $	Members
97	Consumer	34,961,858	13,771,534	9,032,085	35,765
29	Live Stock	51,176,650	843,958	784,125	27,649
40	Feeders	8,800,059	1,140,158	985,352	2,019
11	Dairy and Poultry	38,471,516	10,999,846	6,516,390	14,688
39	Grain and Seed	140,201,658	60,894,620	24,967,019	40,058
14	Sundry	12,472,347	6,116,655	1,455,728	7,136
371	Electrical	41,027,637	***53,500,000	***32,185,143	34,027
282	Credit Unions	***114,713,790	14,720,020	3,717,434	85,571
916		449,814,655	111,217,375	78,946,076	409,214

* This figure represents the estimated cost of rural electrification construction in Alberta in 1961. Next year this figure will also be available, but we propose showing the cost of the power consumed by all farmers in the province.

** These figures are based on actual cost where in previous years the estimated cost figures were used.

*** This figure includes Alberta Central Credit Union for the first time.

L E G I S L A T I O N

THE CO-OPERATIVE ASSOCIATIONS ACT

No amendments are proposed for this Act.

THE RURAL ELECTRIFICATION REVOLVING FUND ACT

No amendments are proposed for this Act.

THE RURAL ELECTRIFICATION LONG TERM FINANCING ACT

No amendments are proposed for this Act.

THE CO-OPERATIVE MARKETING ASSOCIATIONS GUARANTEE ACT

No amendments are proposed for this Act.

THE CREDIT UNION ACT

No amendments are proposed for this Act.

RURAL ELECTRIFICATION

1961

This year is the 15th year of the orderly development of rural electrification in Alberta. There are now over 55,300 farms electrified, an increase of over 2,100 in 1961.

Approximately 79% of the farms in the Province are now electrified, with power available to virtually all of the recognized farming areas of the Province.

It has also been possible to electrify the homes on six Indian Reserves, and a seventh has filed incorporation papers. Power has been installed on 756 homes on these reserves. In cases where loans have been granted under Revolving Fund or Long Term Acts, the payments are made from Band funds, and guaranteed by the Department of Indian Affairs.

FINANCING

DISBURSEMENTS
Under The Rural Electrification Revolving Fund Act

Total amount loaned from May 1, 1953 to December 31, 1961		$36,747,810.02
1961 Total Amount Loaned from The Rural Electrification Revolving Fund, January 1 to December 31, 1961		$ 4,075,895.05

This may be broken down as follows:

Rural Electrification Revolving Fund Act --		
Total Amount Loaned Part 1	$1,772,425.44	
Total Amount Loaned Part 2	$ 124,646.00	
Long Term Act, Amount Loaned	$2,178,823.61	
BALANCE OUTSTANDING December 31, 1960		$19,698,896.62
Repayments in 1961	$4,118,950.71	
Less Amount Loaned 1961	$4,075,895.05	
Excess of Repayments over Loans in 1961	$ 43,055.66	
TOTAL OUTSTANDING December 31, 1961		$19,655,840.96

REVOLVING FUND ACT PART 1

Balance Outstanding December 31, 1960		$13,503,538.28
Loaned During 1961	$1,772,425.44	
Repayment During 1961	$3,394,157.27	
Excess of Repayments Over Loans	$1,621,731.83	
Balance Outstanding December 31, 1961		$11,881,806.45

REVOLVING FUND ACT PART 2

Balance Outstanding December 31, 1960		$ 756,869.94
Loaned During 1961	$ 124,646.00	
Repayment During 1961	$ 281,155.12	
Excess of Repayments over Disbursements	$ 156,509.12	
Balance Outstanding December 31, 1961		$ 600,360.82

LONG TERM FINANCING

Balance Outstanding December 31, 1960		$ 5,438,488.40
Loaned During 1961	$2,178,823.61	
Repaid in 1961	$ 443,638.32	
Excess of Loans over Repayments, 1961	$1,735,185.29	
Balance Outstanding December 31, 1961		$ 7,173,673.69

1961 REPAYMENTS - - $4,893,851.45

	PRINCIPAL	INTEREST
Revolving Fund Part 1	$3,394,157.27	$ 575,195.71
Revolving Fund Part 2	$ 281,155,12	--
Long Term	$ 443,638.32	$ 199,705.03
TOTAL	$4,118,950.71	$ 774,900.74

Total Principal Repaid to December 31, 1961	$17,150,119.43
Total Interest Returned to General Revenue	$ 3,326,158.61
Gross Amount Repaid to December 31, 1961	$20,476,278.04

GUARANTEED LOANS

Balance Outstanding December 31, 1960..... $483,583.47

Repayments, January 1 to September 30, 1961..$125,587.97
Loans Authorized under Guarantee 1961.....$ 2,025.00
Nominal Reduction of Loans in Force 1961.....$123,562.97

Balance Outstanding as at September 30, 1961
Including Accrued Interest.....$357,995.50

Guaranteed Loans have assisted 16,084 farmers install power on their farms since 1947. Of those, only 4 were electrified using this type of financing, in 1961.

Since the inception of the guarantee legislation for rural electrification a total of $6,780,997.85 has been guaranteed by the Provincial Treasurer. Of this amount, only $4,908.19 has been written off, and of this sum, $200.00 has since been recovered.

REFINANCING

A total of 3,407 members have refinanced either Guaranteed or Revolving Fund loans, to Long Term Financing, and in this way brought their accounts into good standing.

Of this number, 917 have refinanced from Guarantee Act loans, and brought their accounts into good standing. 2,490 have refinanced from Revolving Fund to Long Term, 171 members have repaid their Long Term loans in full.

LONG TERM FINANCING ACT MEMBERS
By Power Companies, Serving the R.E.A.s are as follows:

Farm Electric Services Limited.....	5,908
Canadian Utilities Limited.....	1,524
Northland Utilities Limited.....	608
East Kootenay Power Company.....	10
TOTAL Long Term Members.....	8,050

OUTSTANDING ACCOUNTS

As at December 31, 1961, the Accounts Outstanding are as follows:

Revolving Fund.....	20,406	(During 1961,
Long Term	8,050	(932 Revolving Fund accounts
	28,456	(were paid in full.

COMPARISONS

	1959	1960	1961
Total Farms Hooked up	49,223	53,151	55,300
R.E.A. Members Hooked up	45,000	48,200	50,300
Increase in R.E.A. Membership	4,500	3,200	2,100
Total Associations in Alberta	954	966	1,041
Total Credit Unions in Alberta	249	251	281
Total Co-operative Associations in Alberta	705	715	761

TYPES OF CO-OPERATIVES 1961

Rural Electrification	372
Consumer Co-operative	111
Grain and Seed	55
Livestock Feeders	44
Livestock Marketing	35
Artificial Breeding	21
Dairy and Poultry	17
Community Halls	13
Fire Prevention	12
Gas	10
Benevolent/Recreational	8
Farming	7
Real Estate	7
Grazing	6
Frozen Food Lockers	5
Miscellaneous/Sundry	38
TOTAL	761

REGISTERED IN 1961

Rural Electrification	3
Stores and Farm Supply Groups	8
Livestock Marketing	1
Livestock Feeders	2
Seed Cleaning	4
Miscellaneous	29
TOTAL	47

During the year, Six associations were removed from the files, in two cases as the result of amalgamation.

Three associations were returned to the active list, as their members decided to carry on.

CONSUMER CO-OPERATIVES

Consumer stores show an increase of $6.5 million in total sales for another new high in sales.

Retail co-ops in Alberta are continuing the trend toward modernization and expansion, particularly in the larger centres. A new co-op supermarket was opened in Edmonton by the existing co-op, and a smaller centre on Edmonton's South Side was opened by a German-Canadian group.

Four consumer groups incorporated during the year. One of these, at Coronation, was set up to take over the existing A. C. W. A. Store.

During the year the Lloydminster Co-operative registered in Alberta as an extra provincial co-op, and took over the assets and liabilities of the Marwayne Co-op.

Two Co-operative Federations were incorporated in 1961, These are educational associations which will work very closely with the consumer co-operatives in their areas.

The entry of Federated Co-operatives Limited into the Alberta merchandising field should have a marked influence for good on the consumer co-operatives of the Province.

ALBERTA CO-OPERATIVE WHOLESALE

Sales on the wholesale level were $9,146,000.00, up over one million dollars from 1960. At the end of the A. C. W. A.'s fiscal year, October 31, 1961, the assets and liabilities of A. C. W. A. were taken over by Federated Co-operatives Limited, which has its head office in Saskatoon. The merging of the two wholesale organizations will be of great benefit to the co-operative movement in Alberta, as the unified buying power, and merchandising skills of the large integrated organization are now available to Alberta organizations.

Federated Co-operatives had 1961 sales of over $67 million. Registration under Part 1 A of The Co-operative Association Act was completed June 20, 1961.

UNITED FARMERS OF ALBERTA CO-OPERATIVE

Again in 1961, U. F. A. reached a new high in sales, service, and surplus. Sales of over $14.5 million were 19.3% over 1960. Savings of $1,065,600.00 made possible a patronage dividend of 10.5% on petroleum products, and a cash rebate to locals of 5% ($193,000.00) on farm supply purchases.

1956 deferred dividends amounting to $99,277.00 were authorized for redemption in this fiscal year.

Twelve new agencies commenced operations in 1961, and rebuilding of bulk plants was undertaken at ten locations.

Service station facilities were added to in five areas.

Grande Prairie and Red Deer farm supply warehouses were opened and land was purchased for a warehouse in Lethbridge.

Total assets are $5,605,000.00 with members' equity of $4,166,000.00.

SEED AND GRAIN

The Alberta Wheat Pool and United Grain Growers continue to handle grain, forage seed, and farm supplies, in a manner which is of benefit to their farmer members. Overall grain deliveries in Alberta were down about six million bushels from the previous year.

Rapeseed handlings were up several fold over the previous year, reflecting the increased importance of oil seeds in the farm economy. U. G. G. bought out the Canada West Grain Company, so among other facilities, they acquired a seed cleaning plant in Edmonton, and entered the forage seed business to round out their operation.

SEED CLEANING PLANTS

At year end, 44 seed cleaning plants were operating in Alberta. Three plants were built - - at Craddock, Bentley, and Carstairs, and four associations were incorporated.

The total grain cleaned for the year was 8,590,525 bushels, an increase of over two million bushels. Of this over 7.7 million bushels was cleaned for seed and 876,000 bushels were cleaned for dockage only.

2,804,457 bushels of seed were treated with fungicide and 581,972 bushels had wireworm treatment.

The average cleaned for the 41 plants which operated for the full year was 209,525, an increase of over 20,000 bushels per plant from 1960.

CO-OPERATIVE FARMS

One group, the Volin Co-op Farm near Rycroft, incorporated in 1961. This group have worked together for some time and should be successful as an incorporated co-operative.

LIVESTOCK MARKETING

One Live Stock Shipping Association was set up during the year. This was at Stony Plain.

Livestock prices were at a high level throughout much of the year, although reported marketings were down somewhat from last year.

ALBERTA LIVESTOCK CO-OPERATIVE

A. L. C. has a decrease in revenue, and a corresponding decrease in surplus from 1960.

Surplus amounted to $62,000.00 decrease of $29,000.00 from 1960.

Gross handlings of livestock were $42,227,332.00.

A. L. C. handles approximately 25% of the total Alberta production of slaughter hogs.

FEEDER ASSOCIATIONS

Two feeder associations were incorporated in 1961.

Handlings of feeder cattle are little changed from a year ago.

Feeder prices continue high.

The feed situation in the south will undoubtedly show a reduction in number of cattle fed next year.

DAIRY AND POULTRY

The large dairy pools continue to handle products in an efficient manner, and return the maximum amount possible to their producer members.

Central Alberta Dairy Pool has issued over $3 million in final payments to its members and redeemed over half of these in cash. They have also invested over $3.5 million in plant and equipment, and have at the same time paid competitive prices for the product handled.

Northern Alberta Dairy Pool has allocated over $16 million in final payments and redeemed in cash over $13 million of these allocations. Again, competitive prices are paid for products handled.

The Viking Co-operative Creamery continues to give good service to its members in the area which it serves.

During 1961, the Cardston Co-op question was finally settled when District Court Judge E. B. Feir ruled that the share cancellation of the Board of Directors was abortive, and found in favour of the members who had protested this action. The Judge's ruling upheld our opinion on the question, and we anticipate that this issue is now settled.

44% of all poultry products as marketed through regular channels were handled by Alberta Poultry Marketers Co-operative.

Total handlings of dairy and poultry products are almost $39 million as compared with $35.5 million in 1960.

ALBERTA HONEY PRODUCERS

This co-operative is handling a large proportion of honey crop. Arrangements were made to export large volumes of honey in bulk to eastern markets which helped relieve the local market congestion. Steps are being taken to ensure that control of the co-operative is kept in the hands of current producers.

AI ASSOCIATIONS

Two artificial breeding co-ops were incorporated in 1961. We now have 20 of these groups plus the Alberta Association of Artificial Breeders.

FIRE PREVENTION

Seven fire prevention associations were incorporated. This brings the number of these co-ops to 12.

These groups are performing a valuable service for their members.

Training is offered by the Provincial Fire Commissioner's Office.

In addition to the protection given, membership in an association may allow a certain fire insurance reduction of rates.

GAS
Natural and Propane

One propane and two natural gas co-ops were formed in 1961. In areas where propane co-ops were set up, the rates for propane have been stabilized and usually reduced.

The first, completely rural gas co-operative in an area east of Lethbridge was built with the help of a loan guaranteed by the Provincial Treasurer.

GRAZING

No new grazing associations were set up in 1961. The present associations continue to be successful and provide a needed service.

MISCELLANEOUS

One real estate listing co-op group composed of rural and small town real estate agents was incorporated in 1961. One snow plow group, one milk shippers co-op, 1 curling club, and two fraternal halls, three water associations and one vegetable processing co-operative, were added to existing co-operatives of similar types.

New types of co-operatives were, two livestock spraying associations set up to purchase spray equipment, to cut down on bot fly damage to livestock; one local elevator co-op was set up at Peers to purchase the elevator building owned by U. G. G. This is a revival of the type of small elevator co-op set up many years ago, but which has since disappeared from the scene. We feel that it will be necessary for the co-op to raise additional share capital to allow expansion into other lines if the elevator at this point is to be successful.

A drought feed association was set up at Medicine Hat to arrange negotiations on a group basis between buyers and sellers of feed. It was felt that bulk purchasing would keep the price to the consumer on a much more realistic basis than if each feeder went out and did his own negotiating.

A group of part time rabbit breeders in Calgary area have set up a processing co-op. They hope to raise sufficient capital to eviscerate and tray pack domestic rabbits.

REQUESTS FOR INCORPORATION

Many requests for incorporation continue to be presented to the Branch. In all cases, these requests are checked and considered. If they appear legitimate, all possible help is given. If on the other hand, it appears that the proposal is only a means to a devious end, then the request is turned down.

In all cases, any requests made are carefully considered, and the best possible advice given.

In all cases, the best possible public relations are maintained.

Registrations under The Co-operative Associations Act 1961

#1136 Jan. 5/61	Chinook Rural Realty Co-operative Bureau Limited Okotoks
#1137 Jan. 16/61	Vulcan Rural Fire Protection Co-op Limited Vulcan
#1138 Jan. 16/61	Vauxhall Co-op Petroleum Limited Vauxhall
#1139 Feb. 6/61	Vegreville Feeders Association Limited Vegreville
#1140 Feb. 20/61	Snow Valley Snow Plow Co-operative Limited Pincher Creek
#1141 Feb. 20/61	McNally Rural Gas Association Limited Lethbridge
#1142 Feb. 20/61	Sunnyside Rural Gas Association Limited Lethbridge
#1143 March 2/61	The Suffield Co-operative Association Limited Suffield
#1144 March 1/61	New Sarepta Milk Shippers Co-op Limited New Sarepta
#1145 March 8/61	Strathmore Rural Fire Fighting Ass'n Limited Strathmore
#1146 March 14/61	Rainy Creek Spraying Co-op Limited Bentley
#1147 March 14/61	High River Co-op Oils Limited High River
#1148 March 20/61	Didsbury Rural Fire Protection Association Limited Didsbury
#1149 March 23/61	Carstairs Co-op Oils Limited Carstairs
#1150 March 30/61	Wapiti Rural Electrification Association Limited Grovedale
#1151 April 14/61	Bashaw Curling Co-operative Association Limited Bashaw
#1152 April 14/61	Blindman Valley Propane Co-operative Association Limited Rimbey
#1153 April 26/61	Stony Plain Co-operative Livestock Shipping Association Limited Stony Plain

#1154 April 27/61	The 11 - 22 Co-op Seed Plant Ltd. Medicine Hat
#1155 April 27/61	Lockhart Spraying Co-op Limited Rimbey
#1156 May 10/61	Fort Saskatchewan Rural Fire Protection Association Limited Fort Saskatchewan
#1157 May 29/61	Peers and District Co-op Elevator Limited Peers
#1158 June 7/61	Volin Co-operative Farm Limited Rycroft
#1159 June 5/61	Grimshaw Co-op Seed Cleaning Plant Limited Grimshaw
#1160 June 8/61	Orange Benevolent Association (Calgary) Limited Calgary
#1161 June 8/61	Thorsby Rural Fire Protection Association Limited Thorsby
#1162 July 7/61	Central Peace Feeder Association Ltd. Spirit River
#1163 July 13/61	Tofield Rural Fire Protection Association Limited Tofield
#1164 E.P. June 20/61	Federated Co-operatives Limited Saskatoon, Sask.
#1165 July 27/61	Bon Accord and District Fire Protection Association Limited Bon Accord
#1166 Aug. 3/61	Lodge Water Co-op Ltd. Lodgepole
#1167 Aug. 8/61	Noreast Co-op Federation E 14 Ltd. Vegreville
#1168 E.P. Aug. 3/61	The Lloydminster & District Agricultural Co-operative Association Limited Lloydminster
#1169 Aug. 24/61	Medicine Hat Drought Feed Association Limited Medicine Hat
#1170 Sept. 14/61	Wainwright Artifical Breeding Association Ltd. Wainwright
#1171 Sept. 14/61	Keg River Rural Electrification Association Limited Keg River

#1172 Oct. 2/61	Bridgeland Co-operative Association Ltd. Calgary, Alta.
#1173 Oct. 18/61	West Central Co-op Federation E 15 Ltd. Edmonton
#1174 Oct. 24/61	Walsh Water Association Limited Walsh
#1175 Oct. 24/61	Strathcona Leduc Co-op Limited Leduc
#1176 Oct. 30/61	St. Paul Artificial Breeding Association Limited St. Paul
#1177 Nov. 1/61	Medicine Hat Growers Co-op Ltd. Medicine Hat
#1178 Nov. 14/61	Coronation Co-operative Limited Coronation
#1179 Nov. 16/61	Orion and District Co-op Association Limited Orion
#1180 Nov. 27/61	Alberta Rabbit Breeders Co-op Limited Calgary
#1181 Nov. 29/61	Fairview Co-op Seed Cleaning Plant Ltd. Fairview
#1182 Dec. 1/61	Hines Creek Seed Cleaning Co-op Ltd. Hines Creek
#1183 Dec. 20/61	Louis Bull Rural Electrification Association Limited Hobbema

CREDIT UNIONS
INCORPORATIONS AND CANCELLATIONS

The stepped up Credit Union League campaign to organize Credit Unions gave the movement forty new charters issued in 1961. Thirty three of these were in the southern area of the province and seven in the north. Three charters were cancelled during 1961 with several others now in the process of being cancelled.

The disposition of the 407 charters issued to December 31, 1961 is as follows:

Reporting credit unions	Northern Area	127	
	Southern Area	154	281
New, not yet reporting	Northern Area	3	
	Southern Area	13	16
Dissolved			87
Amalgamated			5
Inactive	Northern Area	12	
	Southern Area	0	12
Federations			2
			403
Charters cancelled in Registrar's Office			4
Last charter number			407

The forty new charters issued were broken down as follows: 4 Industrial, 3 Governmental, 1 Parochial, 1 Associational, 2 Urban, 29 Urban Rural. There are 283 active credit unions as at the year end, including Federations.

INCORPORATIONS

#			
368	L'Avenir	North	Urban Rural
369	Sylvan Lake	South	Urban Rural
370	Leslieville	South	Urban Rural
371	Warner & District	South	Urban Rural
372	Cowley	South	Urban Rural
373	Oyen	South	Urban Rural
374	Empress	South	Urban Rural
375	Calgary Building Trades	South	Associational
376	Lomond	South	Urban Rural
377	Vauxhall	South	Urban Rural
378	Hays	South	Urban Rural
379	Foremost	South	Urban Rural
380	Red Deer CSA of A	South	Governmental
381	Hanna	South	Urban Rural
382	Youngstown	South	Urban Rural
383	Sunshine	South	Urban Rural
384	Radway	North	Urban Rural

385	Blood Reserve	South	Urban Rural
386	Delia	South	Urban Rural
387	Ukrainian Orthodox	North	Parochial
388	Bow Valley	South	Urban Rural
389	D. B. Calgary	South	Industrial
390	A. P. Grain Employees	South	Industrial
391	U.A.C.	South	Governmental
392	N.W.A.A.	South	Industrial
393	Ashmont	North	Urban Rural
394	German-Canadian	North	Urban
395	Bow Island (1961)	South	Urban Rural
396	Chinook (1961)	South	Urban Rural
397	Mynarski Park	South	Governmental
398	LNID	South	Urban Rural
399	Vulcan	South	Urban Rural
400	Elnora	South	Urban Rural
401	Didsbury (1961)	South	Urban Rural
402	Gleichen	South	Urban Rural
403	Exshaw	South	Urban
404	Bassano	South	Urban Rural
405	ANDE	North	Industrial
406	Blackie	South	Urban Rural
407	Beaver River Co-op	North	Urban Rural

EXAMINATIONS COMPLETED

Calgary Office	Regular	105	
	Supplemental	22	127
Edmonton Office	Regular	99	
	Supplemental	21	120

Not Examined

Calgary Office	Regular	39	(new credit unions)
	Supplemental	0	
Edmonton Office	Regular	9	(7 new credit unions and 1 under Section 67(4) of The Credit Union Act)
	Supplemental	2	

1961 Recapped

The year 1961 was a good one for the Credit Union movement, with substantial gains being chalked up for all aspects of the movement, perhaps the most noticeable being the incorporation of 40 new credit unions. This was a result of an organizational campaign instituted by the Credit Union League of Alberta during 1960. The above, plus the normal growth in membership, gave the movement over 9,100 new members compared to 6,900 the previous year, bringing the total membership to 86,694 as at November 30, 1961.

The League is playing an ever-increasing role in the movement. Possibly two of the most outstanding gains during 1961 were, the first complete year of operation for the Stabilization Fund with several successful ventures, and the fulfillment of the Audit Program. The Chartered Accountants approved by the League have done a greatly increased percentage of the credit union audits for credit unions over the $150,000 mark.

Several small defalcations were uncovered this year, primarily by the work of our Branch. Steps were taken by the Examiners at their annual conference to initiate procedures which should reduce the possibilities of defalcations in the future.

The Alberta Central Credit Union Limited has once again shown outstanding progress with over a 40% increase in assets this past year, bringing their total assets to well over three million dollars.

Credit unions in the province acquired new property in the amount of over $180,000. This brings the real estate holding in the province to just under one million dollars.

The supplemental examination program was continued in conjunction with the regular program and resulted in 247 examinations being completed. This figure represents 204 regular examinations and 43 supplementals. Over and above the normal examination program, considerable time was spent with various credit unions to ensure the books were being properly kept. Further, some time was used by various Examiners assisting in the determining of several defalcations.

With the 40 credit unions incorporated during the year and an equal number to be set up next year, it is anticipated the work load of the Branch will increase proportionately.

All in all, 1961 was a year of consistent growth in all aspects of the Credit Union movement.

CLASSIFICATION OF CREDIT UNIONS

TYPE NO.	CLASSIFICATION	Dec. 31/59	Dec. 31/60	Dec. 31/61
1	Industrial	61	64	66
2	Governmental	32	33	36
3	Parochial	30	31	32
4	Associational	30	30	31
5	Urban Community	34	33	35
6	Rural Community	34*		
7	Urban Rural Community	41*	81*	108
8	Federations	2	2	2
		264	274	310

* It is felt the distinction here has become so slight that these classifications have now been combined into one heading "Urban Rural Communities".

COMPARATIVE CONSOLIDATED SURPLUS STATEMENT
For the Period January 1st to December 31st, 1960

Total Surplus	1959	1960	Increase or Decrease *	%
(Including Fees and Fines)	$987,036	$1,249,810	$262,773	26.6
ALLOCATION				
Reserve Fund	$157,711	194,120	36,408	23.1
Stabilization Plan	41,867	55,270	13,403	32.0
Education Fund	8,239	10,590	2,350	28.5
Dividends	600,913	773,504	172,590	28.7
Interest Rebates	143,795	185,207	41,411	34.7
Honorarium	6,102	8,997	2,895	47.4
Miscellaneous	4,139	7,834	3,694	89.2
Undivided Earning	34,915	36,851	1,935	5.5
SUB TOTAL	$997,684	1,272,376	274,691	
Undivided Earning Debit	10,648	25,969	15,320	
TOTAL	$987,036	1,246,407	259,370	

CONSOLIDATED BALANCE SHEET FOR ALBERTA CREDIT UNIONS

ASSETS	As At November 30/60	As At November 30/61
Loans	22,206,047.08	26,896,066.59
Cash	1,482,096.64	1,657,479.40
Investments	3,927,311.24	4,826,368.63
Furniture and Fixtures	168,117.45	205,696.98
Real Estate	796,893.63	977,017.77
Others	147,721.82	159,581.12
TOTAL ASSETS	28,728,187.86	34,722,210.49
LIABILITIES		
Shares	23,948,949.56	28,694,763.69
Deposits	1,363,185.45	1,831,782.72
Accounts Payable	1,161,678.68	1,477,710.16
Education Fund	9,619.75	10,977.96
Guaranty Fund	870,170.00	1,007,325.73
Stabilization Fund	43,215.28	102,141.27
Undivided Earnings	179,124.39	213,671.96
Profit and Loss	1,152,244.65	1,383,837.00
TOTAL LIABILITIES	28,728,187.86	34,722,210.49

ALBERTA CREDIT UNIONS - - 2 YEAR STATISTICAL COMPARISON

	November 30, 1960			November 30, 1961		
	Amount	Increase 12 Months	%	Amount	Increase 12 Months	%
Assets	$28,728,187.86	$4,846,262.26	20.30	$34,722,210.49	$5,994,022.63	20.86
Share Capital	23,948,949.56	3,708,616.87	18.32	28,694,763.69	4,745,814.13	19.82
Deposits	1,363,185.45	259,490.38	23.51	1,831,782.72	468,597.27	34.37
Loans Outstanding	22,206,047.08	3,589,497.95	19.28	26,896,066.59	4,690,019.51	21.12
Investments	3,927,311.24	569,507.03	16.96	4,826,368.63	899,057.39	22.89
Cash	1,482,096.64	361,176.91	32.22	1,657,479.40	175,382.76	11.83
Reserve Fund	870,170.00	113,349.08	14.97	1,007,325.73	137,155.73	15.76
Stabilization Plan	43,215.38			102,141.27	58,925.89	136.35
Loans Made						
Previous 12 Months	20,455,342.92	3,307,924.33	19.29	23,177,765.95	2,722,423.03	13.31
Loans Repaid						
Previous 12 Months	16,865,844.97	3,557,704.82	26.73	18,487,746.44	1,621,901.47	9.62
Loans Since Inception	121,602,788.89	20,455,342.92	20.22	144,780,554.84	23,177,765.95	19.06
TOTAL TURNOVER	86,728,262.32	12,924,856.83	17.51	113,513,750.29	26,785,487.97	30.88
Membership	77,527	6,950	9.85	86,694	9,167	11.83

ALBERTA CENTRAL CREDIT UNION

Assets	$2,254,086.04	$751,809.15	50.04	$3,167,286.24	$913,200.20	40.51
No. of Credit Unions:						
Reporting		251		281		
Dissolved		84		87		
Inactive		12		12		
Amalgamated		5		5		
Federations		2		2		
New, Not Reporting		9		8		
Incorporated to date		363		395		
Charters Cancelled due to error in Registrar's Office		4		4		
		367		399		

STATISTICS - - General

	Nov. 1960	Nov. 1961
No. of Members	77,527	86,694
Loans:		
Granted	$18,647,538	$ 23,177,766
Granted Since Inception	121,602,788	144,780,554
Written Off	13,483	40,622
Written Off Since Inception	107,293	147,915
% Written Off Since Inception	.088%	.109%
Average Member's Share Holding	$312.97	$335.53
Average Member's Savings	330.79	356.95
Average Assets Per Member	375.43	406.01
Percentage of Loans to Assets	77.3%	77.5%
Percentage of Liquid Assets	18.8%	18.7%

WORK DONE BY THE BRANCH

The southern office completed all the examinations of credit unions existing prior to January 1, 1961, and a number of visits were made to newly organized groups. The end of the year found the northern office short two supplementals and two regular examinations.

One of the regular examinations not done by the northern office was for a credit union which was required to have its books audited by a Chartered Accountant under the provisions of Section 67(4) of The Credit Union Act.

DIVIDENDS, INTEREST RATES AND INTEREST REBATES

A noticeable trend from several years back to higher interest rates and greater dividends, is continuing as is the number of credit unions adopting the straight maximum rate of 1% per month.

The number of credit unions paying interest rebates has remained approximately the same as last year with an increase in the amounts of the rebates being paid.

DELINQUENCY

The anticipated reduction in allowable delinquency was not carried out during 1961 due to the adverse money conditions of the previous year, predominantly in the northern portion of the province. This has been offset by good conditions during 1961. It is planned to reduce the allowable delinquency from 40% to 25% early in 1962.

C O N C L U S I O N

To finalize this annual report, it is my pleasure to advise that the staff of this Branch do their best to assist the various co-operatives and Credit Unions in the Province.

The increase in size and scope of the co-operative movement as a whole causes a gradual increase in the work load of the Branch.

The increasing complexity of the work involved has tended to level out any slack periods so that the activity of the Branch continues at a high level the year round.

No major changes in staff took place in 1961.

We continue to maintain good public relations between the Branch, and the various co-operative organizations and individuals with whom we deal.

We attend meetings whenever possible, and make personnel and office facilities available whenever it is possible to give legitimate service to any group.

All of the above is respectfully submitted as the annual report of the Co-operative Activities and Credit Union Branch, of the Department of Industry and Development.

H. W. Webber, Supervisor
Co-operative Activities
and Credit Unions.

HWW/nv

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Co-operative Activities and
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